UNITED STATES PATENT AND TRADEMARK OFFICE

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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

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Ex parte KUN ZHANG, KARAMJEET SINGH, WILLIAM G. BLAIR,
WINNIE C. DURBIN, MICHAEL R. MINOGUE, GEOFFREY S.
CHRISTANDAY, and ESMERALDO R.V. DAVANTES

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Appeal 2007-2568
Application 09/681,483
Technology Center 2100

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Decided: February 1, 2008

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Before: HOWARD B. BLANKENSHIP, ALLEN R. MACDONALD, and
JAY P. LUCAS, *Administrative Patent Judges*.

MACDONALD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants appeal a Final Rejection of claims 17, 19-29, and 31 under
35 U.S.C. § 134. Claims 1-6, 8-13, 15, 16, and 30 have been indicated as
containing allowable subject matter. (Ans. 6.) We have jurisdiction under
35 U.S.C. § 6(b).

According to Appellants, they invented a computer data signal process
and graphical user interface for transmitting a request to activate inactive

software and receiving a key to activate the inactive software. (Spec. ¶[0007].)

Claim 24 is exemplary:

24.   A GUI to request activation of an inactive software program resident in memory of a medical imaging scanner remotely located from a centralized processing center comprising:

a device modality selector;

a system identification field;

a user identification field;

a software program selector; and

a software key generation tab, whereupon user selection of the software key generation tab transmits a data transmission over a public communication connection to the centralized processing center, and wherein the data transmission represents a request to activate the inactive software program resident in memory of the medical imaging scanner over a private communication connection.

The prior art relied upon by the Examiner in rejecting the claims on appeal is:

Moeller et al.   US 6,694,384 B1   Feb. 17, 2004
                                                      (filed Jul. 13, 1999)

Claims 17 and 19-23 stand rejected under 35 U.S.C. § 101 for failing to recite statutory subject matter.

Claims 17, 19, 21-23, and 31 stand rejected under 35 U.S.C. § 102(e) for being anticipated by Moeller.

Claims 20 and 24-29 stand rejected for being unpatentable over Moeller and Appellants' Admitted Prior Art ("APA") under 35 U.S.C. § 103(a).

We affirm and enter a new ground of rejection.

FINDINGS OF FACT

The following Findings of Fact (FF) are shown by a preponderance of the evidence.

Moeller

1. Moeller teaches a scanner 50 is equipped to provide a number of features, but the features are initially disabled. (Col. 4, ll. 30-32.) The user then selects soft features 40 to enable. (Col. 4, ll. 37-39.) Payment 190 for the soft features 40 is then made via the Internet. (Col. 4, ll. 39-41.) After payment, the user receives an access key or access code 140 to enter into the scanner to enable the selected features. (Col. 4, ll. 41-42.)

2. Moeller teaches that the Internet or a telephone is used to request and activate features of the scanner 50. (Col. 4, ll. 54-57 and 60-62.) Moeller also teaches that a secured Internet transaction or other secure means is used to pay for a service that is to be enabled. (Col. 4, ll. 39-41.)

3. Moeller teaches that the access key 140 is entered into the limited feature scanner 50 by the user via an alphanumeric keypad on the scanner or via the workstation keypad, or by sending a code or file of information to be loaded into the PC workstation. (Col. 4, ll. 46-52.)

PRINCIPLES OF LAW

Appellants have the burden on appeal to the Board to demonstrate error in the Examiner's position. *See In re Kahn*, 441 F.3d 977, 985-86 (Fed. Cir. 2006) ("On appeal to the Board, an applicant can overcome a rejection [under § 103] by showing insufficient evidence of *prima facie* obviousness or by rebutting the *prima facie* case with evidence of secondary indicia of nonobviousness.") (quoting *In re Rouffet*, 149 F.3d 1350, 1355 (Fed. Cir. 1998)).

In *In re Petrus A.C.M. Nuijten* (Fed Cir, 2006-1371, September 20, 2007), the issue before the Federal Circuit was whether a claim that recites "[a] signal with embedded supplemental data" is statutory subject matter under 35 U.S.C. § 101. The Federal Circuit ruled that:

> A transitory, propagating signal like Nuijten's is not a 'process, machine, manufacture, or composition of matter.' Those four categories define the explicit scope and reach of subject matter patentable under 35 U.S.C. § 101; thus, such a signal cannot be patentable subject matter.

In re Petrus A.C.M. Nuijten 500 F.3d 1346, 1357 (Fed. Cir. 2007).

"Section 103 forbids issuance of a patent when 'the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.'" *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1734 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the

prior art, and (3) the level of skill in the art. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 127 S. Ct. at 1734 ("While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls."). The Court in *Graham* further noted that evidence of secondary considerations, such as commercial success, long felt but unsolved needs, failure of others, etc., "might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented." 383 U.S. at 17-18. "If a court, or patent examiner, conducts this analysis and concludes the claimed subject matter was obvious, the claim is invalid under § 103." *KSR*, 127 S. Ct. at 1734.

The Supreme Court emphasized that "the principles laid down in *Graham* reaffirmed the 'functional approach' of *Hotchkiss*, 11 How. 248 [(1850)]." *KSR,* 127 S. Ct. at 1739 (citing *Graham v. John Deere Co.*, 383 U.S. 1, 12 (1966)), and reaffirmed principles based on its precedent that "[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *Id.* The operative question in this "functional approach" is thus "whether the improvement is more than the predictable use of prior art elements according to their established functions." *Id.* at 1740. "[W]hen a patent 'simply arranges old elements with each performing the same function it had been known to perform' and yields no more than one would expect from such an arrangement, the combination is obvious." *Id.* (citing *Sakraida v. AG Pro, Inc.*, 425 U. S. 273, 282 (1976)).

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ANALYSIS

§101

Claims 17 and 19-23

The Examiner concludes that claims in this group are nonstatutory subject matter under 35 U.S.C. § 101 because they are mere data signals. (Ans. 3.) Appellants allege that the data signal claims in this group are statutory subject matter in pertinent part because:

> Claim 17 recites the practical application of a process that causes a processor to perform a series of process steps. The process acts carried out by the processor are a practical application of the process in that they *cause the processor to*: display a GUI, cause a remote processing station to generate a code, and transmit the code to a device having an inactive option. The process therefore produces a concrete, tangible, and useful result, and thus results in a practical application.

(App. Br. 4 (emphasis added).)

Because Appellants do not separately argue any claim in this group, we select claim 17 as the sole claim on which to decide the issue of whether Appellants have shown that the Examiner erred in concluding that claims 17 and 19-23 fail to recite statutory subject matter.

Claim 17 recites "computer data signal process embodied in a *carrier wave*" (emphasis added). The claimed carrier wave of claim 17 has been found to be nonstatutory subject matter. A claim directed to computer instructions embodied in a signal is not statutory subject matter under 35 U.S.C. § 101. *Nuijten*, 500 F.3d at 1357.

Accordingly, Appellants have not shown that the Examiner erred in rejecting claims 17 and 19-23 for being nonstatutory subject matter under 35 U.S.C. § 101.

<div align="center">Art Rejections of Nonstatutory Claims</div>

We note that Appellants have alleged that the Examiner erred in rejecting claims 17, 19, 21-23, and 31 under 35 U.S.C. § 102(e) (App. Br. 5-8 and Reply Br. 3-5) and claim 20 under 35 U.S.C. § 103(a) (App. Br. 8-9 and Reply Br. 6). However, because we find that Appellants have not shown that the Examiner erred in concluding that claims 17, 19-23, and 31[1] are nonstatutory subject matter, these claims are "barred at the threshold by § 101." *Diamond v. Diehr*, 450 U.S. 175, 188 (1981). For this reason we do not address the rejections of these claims under 35 U.S.C. §§ 102(e) and 103(a).

<div align="center">§103(a)</div>

Claims 24-29

The Examiner finds that Moeller teaches all limitations of claims in this group. In particular, Moeller teaches use of a public communication interface for a request to activate software and a private communication interface for activation of software and thus teaches both a request activity comprising "whereupon user selection of the software key generation tab transmits a data transmission over a public communication connection to the centralized processing center" and a response activity comprising "wherein the data transmission represents a request to activate the inactive software

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[1] We note that claim 31 depends from claim 17 and is also a signal claim, but claim 31 was not rejected under 35 U.S.C. § 101. We reject claim 31 as a new ground of rejection *infra*.

program resident in memory of the scanner over a private communication connection." (Ans. 9.) Appellants allege that Moeller does not teach the request and response activities. (App. Br. 9-10 and Reply Br. 6.) In particular, Appellants allege that Moeller teaches use of a single communication interface in the request and response activities and that Moeller does not teach that the request is made over a public communication interface and the activation is made over a private communication interface. (*Id.*)

Because Appellants rely on arguments with regard to claim 24 for claims in this group, we select claim 24 as the sole claim on which to decide the issue of whether Appellants have shown that the Examiner erred in concluding that claims 24-29 are obvious.

Moeller teaches use of the Internet for a user to identify and pay for scanner features that the user desires to enable. (FF 1 and 2.) Moeller's identifying and paying for the scanner feature meets the request activity because Moeller requests enabling of disabled scanner features. We agree with the Examiner that the Internet is a public communications interface (Ans. 9) and note that Appellants have not made any specific argument that this finding was erroneous (App. Br. 8). Thus, we find that Appellants have not shown that the Examiner erred in finding that Moeller teaches the request activity.

The claimed request activity does not differ structurally from Moeller's activation system that requests activation of features using a public communications interface. We find that the claimed request activity differs from Moeller's activation system only based on an intended use of

Moeller's activation system to cause software activation to take place using a private communications interface (i.e., the response activity). Statements of intended use do not serve to distinguish structure over the prior art. See *In re Pearson*, 494 F.2d 1399, 1403 (CCPA 1974); *In re Yanush*, 477 F.2d 958, 959 (CCPA 1973); *In re Casey*, 370 F.2d 576, 580 (CCPA 1967). Accordingly, we give no patentable weight to the response activity. Thus, because Appellants have not shown that the Examiner erred in finding that Moeller teaches the request activity, we find that Appellants have not shown that the Examiner erred in concluding that the claims in this group are obvious.

Alternatively, were we to give patentable weight to the response activity, we find that Moeller also teaches the response activity. Appellants' argument (App. Br. 9-10 and Reply Br. 6) that Moeller teaches only use of a single interface for both request and response activities fails. Where, as here, "when a patent 'simply arranges old elements with each performing the same function it had been known to perform' and yields no more than one would expect from such an arrangement, the combination is obvious." *KSR,* 127 S. Ct. at 1740 (citing *Sakraida*, 425 U. S. at 282). As the Examiner notes (Ans. 5 and 9), Moeller teaches use of multiple communications channels such as a telephone, secured Internet transaction or other secure means, as well as a keypad. (FF 2 and 3.) Each of these communications channels is available for use by the user and not to the public and thus are private. Each of these communications channels could be used to enable scanner features. Thus use of any of these private communications channels to enable scanner features meets the claimed response activity. *KSR* permits

the Examiner to combine different embodiments, namely use of the Internet to request activation (FF 1 and 2), and a telephone, secured transaction, or keypad for transmitting the activation (FF 2 and 3).

In addition, Appellants have presented no evidence that using Moeller's private channel for software activation in place of Moeller's Internet was "uniquely challenging or difficult for one of ordinary skill in the art" or "represented an unobvious step over the prior art." *Leapfrog Enters., Inc. v. Fisher-Price, Inc.*, 485 F.3d 1157, 1162 (Fed. Cir. 2007).

Accordingly, Appellants have not shown that the Examiner erred in rejecting claims 24-29 under 35 U.S.C. § 103(a) for being unpatentable over Moeller and Appellants' APA.

NEW GROUND OF REJECTION

We use our authority under 37 C.F.R. § 41.50(b) to reject claim 31 under 35 U.S.C. § 101 for the same reasons that we sustained the rejection of its base claim 17 *supra*.

37 C.F.R. § 41.50(b)

37 C.F.R. § 41.50(b) provides that, "[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review."

37 C.F.R. § 41.50(b) also provides that the Appellants, *WITHIN TWO MONTHS FROM THE DATE OF THE DECISION*, must exercise one of the following two options with respect to the new grounds of rejection to avoid termination of appeal as to the rejected claims:

(1) *Reopen prosecution.* Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the examiner …

(2) *Request rehearing.* Request that the proceeding be reheard under 37 C.F.R. § 41.52 by the Board upon the same record …

CONCLUSION OF LAW

We conclude that:

(1) Appellants have not shown that the Examiner erred in concluding that claims 17 and 19-23 are unpatentable under 35 U.S.C. § 101 for failing to recite statutory subject matter;

(2) Appellants have not shown that the Examiner erred in concluding that claims 20 and 24-29 are unpatentable under 35 U.S.C. § 103(a) over Moeller and Appellants' APA;

(3) Claim 31 is unpatentable under 35 U.S.C. § 101 for failing to recite statutory subject matter; and

(4) Claims 17, 19-29, and 31 are unpatentable.

DECISION

The Examiner's rejection of claims 17, 19-29, and 31 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

A new ground of rejection has been entered under 37 C.F.R. § 41.50(b).

AFFIRMED

37 C.F.R. § 41.50(b)

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